

Richard Phillips  
*In pro per*

Re: In re Celsius Network LLC. Et al., Case 22-10964(MG)

**Potential Exhibits for Cross-examination of Witnesses on October 4, 2023**

Dear Chief Judge Glenn,  
Attached please find a set of exhibits that I may potentially use in the cross-examination of witnesses scheduled to testify on October 4, 2023.

Dated: Los Angeles, California  
October 3, 2023

/s/

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RICHARD PHILLIPS

Creditor

Potential Exhibits for Cross-examination by Richard Phillips

From Exhibit D of Disclosure Statement

Based on financial projections developed by the Debtors<sup>1</sup> and subject to the disclaimers and the descriptions of Centerview's methodology set forth herein, and solely for purposes of the Plan, Centerview estimates the total enterprise value of Mining to be within the range of approximately \$410 million to \$720 million as of May 31, 2023 with an estimated midpoint of \$565 million.<sup>2</sup>

In preparing the estimated total enterprise value for Mining, Centerview: (1) reviewed certain historical financial information of Mining for recent years and interim periods provided by the Debtors; (2) met with certain members of the Debtors' and Fahrenheit's senior management to discuss Mining operations and future prospects; (3) reviewed publicly available financial data and considered the market values of public companies deemed by Centerview to be generally comparable to Mining; (4) considered certain economic and industry information relevant to Mining; (5) prepared discounted Cash flow analyses based on the financial projections, utilizing various discount rates and assumptions in the calculation of terminal values; and (6) conducted such other analyses as Centerview deemed appropriate.

From Exhibit E of Disclosure Statement

**Celsius Mining LLC**  
*in Millions of U.S. Dollars*

| <b>Fiscal Year Ended</b>                    | <b>Sep-24</b>  | <b>Sep-25</b>  | <b>Sep-26</b>  | <b>Sep-27</b>  | <b>Sep-28</b>   | <b>Total</b>     |
|---|----------------|----------------|----------------|----------------|-----------------|------------------|
| <b>Revenue</b>                              | <b>\$278.7</b> | <b>\$437.5</b> | <b>\$507.1</b> | <b>\$341.0</b> | <b>\$282.2</b>  | <b>\$1,846.5</b> |
| Direct Costs                                | (190.9)        | (200.0)        | (206.1)        | (187.3)        | (183.8)         | (968.2)          |
| <b>Gross Profit</b>                         | <b>87.8</b>    | <b>237.4</b>   | <b>300.9</b>   | <b>153.7</b>   | <b>98.4</b>     | <b>878.3</b>     |
| Operating Expenses                          | (26.0)         | (27.7)         | (28.8)         | (29.3)         | (29.7)          | (141.4)          |
| <b>EBITDA</b>                               | <b>61.8</b>    | <b>209.7</b>   | <b>272.2</b>   | <b>124.4</b>   | <b>68.8</b>     | <b>736.9</b>     |
| Net Capex                                   | (56.5)         | (12.3)         | (8.2)          | (39.3)         | (86.6)          | (202.9)          |
| <b>EBITDA less Net Capex <sup>[1]</sup></b> | <b>\$5.4</b>   | <b>\$197.5</b> | <b>\$263.9</b> | <b>\$85.1</b>  | <b>(\$17.8)</b> | <b>\$534.1</b>   |
| BTC Price, EOP (\$)                         | \$47,647       | \$90,587       | \$92,420       | \$76,622       | \$105,195       | NA               |
| Hashprice (\$/GH/Day), EOP                  | 77.9           | 126.2          | 95.1           | 63.9           | 61.3            | NA               |
| Network Hashrate, EOP                       | 307 EH/s       | 374 EH/s       | 524 EH/s       | 668 EH/s       | 600 EH/s        | NA               |
| Celsius Hashrate, EOP                       | 12.3 EH/s      | 12.5 EH/s      | 12.6 EH/s      | 13.4 EH/s      | 15.1 EH/s       | NA               |
| Network Share %                             | 3.50%          | 3.79%          | 2.82%          | 2.24%          | 2.36%           | NA               |
| BTC Produced, Celsius                       | 7,712          | 6,475          | 5,046          | 3,946          | 3,281           | 26,460           |

[1] EBITDA less Net Capex does not reflect cash taxes.

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## Disclosure Statement Weighted Distribution Election Example

A side-by-side comparison of the three different treatment outcomes for a Holder of a General Earn

<sup>59</sup> Please review Item 6 on your Ballot to make the Liquid Cryptocurrency Weighted Distribution Election.

<sup>60</sup> For purposes of this example, you do not hold any other Claims.

<sup>61</sup> This 50% reduction is for illustrative purposes only and is not based on any specific assumption with respect to all Unsecured Claim Distribution Mix Elections.

<sup>62</sup> This amount is calculated as follows: (a)  $\$2,954 \times 50\% = \$1,477$ ; and (b)  $\$1,477 \times 70\% = \$1,034$ .

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Claim<sup>63</sup> in the amount of \$10,000 based on a 67.0% recovery is shown below:

|                                     | <b><i>No Election<br/>(Default)</i></b>                 | <b><i>NewCo Common Stock<br/>Weighted Distribution<br/>Election<sup>64</sup></i></b> | <b><i>Liquid Cryptocurrency Weighted<br/>Distribution Election<sup>65</sup></i></b> |
|-------------------------------------|---|--|---|
| Liquid Cryptocurrency               | \$3,748   | \$1,874  | \$4,782   |
| NewCo Common Stock                  | \$2,954   | \$5,390  | \$1,477   |
| Litigation Proceeds                 | The right to receive a share of the Litigation Proceeds |  |   |
| <b><i>Total Recovery:</i></b>       | <b><i>\$6,702</i></b>                                   | <b><i>\$7,264</i></b>  | <b><i>\$6,259</i></b>   |
| <b><i>% of Recovery Change:</i></b> | <b><i>N/A</i></b>                                       | <b><i>Increase of ~8%</i></b>  | <b><i>Decrease of ~7%</i></b>   |

### ***Unsecured Claim Distribution Mix Elections***

The Debtors' ability to accommodate Holders' specified preferences will ultimately depend on what elections all Holders make on their Ballots. The Debtors will use reasonable efforts to redistribute the consideration provided to Holders to satisfy the aggregate Unsecured Claim Distribution Mix but cannot guarantee that Holders will receive what they requested.

Weighted Distribution Election Ballot Results from Tabulation of Votes

**C. Weighted Distribution Election<sup>8</sup>**

15. Stretto examined each valid Account Holder Ballot submitted by Holders of Account Holder Claims eligible to make either the NewCo Common Stock Weighted Distribution Election or the Liquid Cryptocurrency Weighted Distribution Election, which consisted of Holders of a Class 2 (Retail Borrower Deposit Claims), Class 5 (General Earn Claims), and Class 7 (Withhold Claims) Claims. Based on this review, 4.88% (418) in number, which is equivalent to 4.48% (\$15,683,669.91) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the NewCo Common Stock Weighted Distribution Election. 4.20% (3,601) in number, which is equivalent to 4.29% (\$163,851,968.75) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the NewCo Common Stock Weighted Distribution Election. 4.10% (59) in number, which is equivalent to 1.37% (\$153,960.34) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the NewCo Common Stock Weighted Distribution Election.

16. On the other hand, 26.46% (2,267) in number, which is equivalent to 42.59% (\$148,938,980.87) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 18.67% (16,011) in number, which is equivalent to 25.11% (\$960,018,704.02) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 19.39% (279) in number, which is equivalent to 28.21% (\$3,173,615.89) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election.

Totals: More Crypto - \$1,112,131,300.78 (Summation of numbers above)  
More Equity - \$179,689,599.00

Email 1

## Resume for NewCo Board

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From celbk7 <celbk7@proton.me>

To Colodny, Aaron<aaron.colodny@whitecase.com>

Date Saturday, March 18th, 2023 at 11:47 PM

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Aaron,

Here's my resume for consideration for the NewCo Board. Of course, I'll fully dox if the UCC believes my candidacy to be worthy of interviewing in a final round.

Thanks,  
CY

Sent with [Proton Mail](#) secure email.

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**32.65 KB** 1 file attached

CryptoYolo Resume for NewCo Board.pdf 32.65 KB

Email 2

## Board Resume

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From celbk7 <celbk7@proton.me>

To Colodny, Aaron<aaron.colodny@whitecase.com>

Date Tuesday, July 4th, 2023 at 4:21 PM

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Aaron,  
Here's my resume for the NewCo Board including actual names.  
Happy 4th,  
Rick / CY

Sent from Proton Mail for iOS

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**38.64 KB** 1 file attached

NewCo Board Resume.pdf 38.64 KB



Email 3

**RE: Board Diversity Requirements - UCC only needs ONE**

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From celbk7 <celbk7@proton.me>  
To Pesce, Gregory<gregory.pesce@whitecase.com>, Colodny, Aaron<aaron.colodny@whitecase.com>, Wofford, Keith<kwofford@whitecase.com>, Duffy, Scott (External)<ICBSolutions@proton.me>, DiFiore, Thomas (External)<tomdif@gmail.com>  
Date Thursday, September 14th, 2023 at 2:07 PM

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Greg,  
I believe the choice of observer is now the Earn Ad Hoc's based on my interpretation of the unclear ending of yesterday's conference call.  
I'm still waiting for anyone on the UCC side, advisor or member, to explain the observer's duties and responsibilities. The agreement I saw provided for no or unspecified compensation and the right for NewCo to sue the observer for any number of reasons.  
In otherwise no upside, and high downside.  
Please articulate for me the observer's duties and responsibilities.  
I do understand your position on the Board. Your advice, not mine. If he hasn't already, I do suggest you read the email I sent last night to Aaron.  
I know you think it's all about me trying to leverage my way into the seat. But it's not. I'm truly offended by the Board composition and the lack of qualified creditor representation. Again your advice, not mine. We all agree that Scott and Tom have 100% earned their seats and that was the intent since the initial NW structure.  
Respectfully,  
CY / Rick

Sent from Proton Mail for iOS

On Thu, Sep 14, 2023 at 1:50 PM, Pesce, Gregory <[gregory.pesce@whitecase.com](mailto:gregory.pesce@whitecase.com)> wrote:

Thanks for sharing this with us, Rick. As discussed - we don't plan to change the directors we selected. We're open to the observer concept.

**Gregory F. Pesce** | Partner

T +1 312 881 5360 E [gregory.pesce@whitecase.com](mailto:gregory.pesce@whitecase.com)

White & Case LLP | 111 South Wacker Drive, Suite 5100 | Chicago, IL 60606-4302

**WHITE & CASE**

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**From:** celbk7 <[celbk7@proton.me](mailto:celbk7@proton.me)>  
**Date:** Thursday, Sep 14, 2023 at 3:48 PM  
**To:** Colodny, Aaron <[aaron.colodny@whitecase.com](mailto:aaron.colodny@whitecase.com)>, Pesce, Gregory <[gregory.pesce@whitecase.com](mailto:gregory.pesce@whitecase.com)>, Wofford, Keith <[kwofford@whitecase.com](mailto:kwofford@whitecase.com)>, Duffy, Scott (External) <[ICBSolutions@proton.me](mailto:ICBSolutions@proton.me)>, DiFiore,

Thomas (External) <[tomdif@gmail.com](mailto:tomdif@gmail.com)>

**Subject:** Board Diversity Requirements - UCC only needs ONE

I've confirmed that in my lay opinion that Asher Genoot meets the definition of mixed race per NASDAQ listing rules

From Asher:

My father is Jewish and was born in Libya, North Africa but moved to Israel at a young age when the country was formed.

My mother is from Shanghai, China and converted to Judaism.

Both moved to the USA in their early adult years and met in Los Angeles.

I am a first generation American, born and raised in USA, and first generation college graduate as well.

Sent with [Proton Mail](#) secure email.

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